

## Message Text

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PAGE 01 WINNIP 00039 292238Z

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 INT-05 DODE-00 PA-02

PRS-01 L-03 /079 W

----- 093585

R 292035Z JAN 76

FM AMCONSUL WINNIPEG

TO SECSTATE WASHDC 1545

INFO AMEMBASSY OTTAWA

AMCONSUL TORONTO

UNCLASSIFIED WINNIPEG 00039

E.O. 11652: N/A

TAGS: EIND, EINV, CA

SUBJ: POTASH TAKEOVER

REF: TORONTO 0095

ON JANUARY 21 PREMIER BLAKENEY ADDRESSED A LUNCH HOUR PUBLIC MEETING ON THE CAMPUS OF THE UNIVERSITY OF SASKATCHEWAN. IN AN OFFICIAL PRESS RELEASE BLAKENEY IS QUOTED AS STATING:

1. THE REASON THE PROVINCE HAS HAD TO RESORT TO EXPROPRIATION LEGISLATION IS BECAUSE ALL THEIR METHODS OF NEGOTIATION HAVE BEEN TRIED AND FAILED.

2. THE POTASH COMPANIES HAVE BEEN SPENDING A LOT OF MONEY IN THE SASKATCHEWAN MEDIA DESIGNED TO IMPLANT THE IDEA THAT THE GOVERNMENT IS ACTING IN A VERY UNFAIR AND ARBITRARY MANNER.

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PAGE 02 WINNIP 00039 292238Z

3. PERHAPS THE ATTITUDE OF MOST COMPANIES BECOME CLEAR WHEN

WE LOOK AT THEIR FAILURE TO PAY THEIR TAXES IN FULL AT

THE END OF DECEMBER THE CUMULATIVE AMOUNT OF DELINQUENT TAXES  
OWED BY THE POTASH COMPANIES WAS MORE THAN 30 MILLION DOLLARS  
DELIBERATELY UNPAID.

4. NOBODY LIKES TO PAY TAXES. BUT YOU AND I CANNOT AFFORD THE  
LUXURY OF REFUSING TO PAY. IF WE TRIED IT THE HEAVY HAND OF THE  
LAW WOULD FALL WITH ALL DELIBERATE SPEED AND WE WOULD PAY OR SUFFER  
THE PENALTY.

5. THE COMPANIES CLAIM THE TAX BURDEN IS TOO HIGHBUT THEY  
DECLINED TO SUPPORT THE ALLEGATION BY PRODUCING THEIR FINANCIAL  
STATEMENTS. MOST OF THE COMPANIES HAVE NOT DISCLOSED THE FIGURES.  
THEY HAVE DECLINED TO FOLLOW OUR LAWS AND REGULATIONS.

6. MANY OF THE COMPANIES HAVE FAILED TO PAY THEIR FULL SHARE OF  
TAXES AND THE COMPANIES HAVE DECLINED TO EXPAND PRODUCTION. WE  
HAVE ENCOURAGED THE PRESENT OWNERS TO EXPAND. WE EXPRESSED A  
DESIRE TO PARTICIPATE AS PART OWNERS IN THAT EXPANSION BUT WE DID

NOT INSIST. WE HAVE HAD LITTLE RESPONSE FROM THE COMPANIES.

7. INSOEAD, I BELIEVE, THAT MANY COMPANIES HAVE ATTEMPTED THE  
THREAT OF NOT EXPANDING IN AN EFFORT TO MAKE US BACK DOWN  
IN OUR ATTEMPTS TO GET A FULL SHARE OF THE RETURNS FOR THE  
PEOPLE OF SASKATCHEWAN.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, POTASH  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976WINNIP00039  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 TORONTO 95  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hattaycs  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 JUL 2004 by schwenja>; APPROVED <26 JUL 2004 by hattaycs>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POTASH TAKEOVER  
**TAGS:** EIND, EINV, CA, CANADIAN POTASH PRODUCERS ASSOC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006